



May 21, 2001

To the People of Missouri:

We are pleased to present, for your comments, the draft Statewide Transportation Improvement Program (STIP) for fiscal years 2002 – 2006. In this document you will find a comprehensive list of the highway and bridge projects we will undertake during the next five years. When approved by the Missouri Highways and Transportation Commission, this becomes **our commitment to you!** In addition, we have provided information on the work programs for aviation, rail, waterways and public transit, the other significant modes of transportation for which the Missouri Department of Transportation is responsible.

This STIP is an integral member of MoDOT's new family of plans. In the past two years, we have developed a Long-Range Transportation Plan (LRTP), which sets the direction for the department for the next 20 years. It is a fiscally unconstrained look at what we would have to do, and the resources we would need, to accomplish everything you expect from us. It provides the vision and direction for project development activities.

As we developed the long-range plan, we realized we need a process that provides a logical transition between the directions established in the LRTP and the project-specific STIP. Our mid-range transportation plan, or investment strategy, serves this purpose. It is the first stage in identifying specific projects and programs that will address transportation needs. The mid-range planning process will determine the types of improvements that might be needed and allows us to accomplish the federally required studies and planning steps needed to develop specific projects, including all engineering, socioeconomic and environmental considerations. The mid-range plan also starts to apply fiscal constraints to the planning process.

As we further refine our needs, the most significant projects go into the STIP. The STIP is the list of projects and the timeframe in which contracts will be awarded. We still are working on a process to provide you with the expected completion dates for projects.

As you review this draft plan, you should be aware of several factors that are having an impact on our highway and bridge construction program. This is the first STIP to include projects financed by bonds for fiscal year 2002, projects *tentatively proposed* to be financed by bonds in FY 2003, and reduced funding because of debt repayment. When MoDOT was authorized to issue bonds, we knew they would be repaid out of future construction budgets. While bond financing allows us to accelerate some much-needed projects, repayment will cost approximately \$270 million between 2002 and 2005, with repayment expenses continuing for the next 20 years.

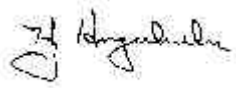
(This repayment amount assumes the sale of approximately \$1.1 billion in bonds in fiscal years 2001 – 2003.)

In addition, funding for this STIP is reduced because of lower state revenue. Last year revenue projections anticipated a growth rate of 3.7 percent from sources such as fuel taxes, vehicle sales taxes, and license fees. The most recent forecast, however, shows a 0.9 percent growth rate. As a result, \$277 million less in revenue is available for construction between 2002 and 2005. Nevertheless, we intend to keep the commitments we made last year. We will be able to keep these commitments, even though currently projected revenue is insufficient, by borrowing against revenues in years 2004 – 2006. Unfortunately, that further reduces the revenue available during those years unless additional revenues are identified.

Finally, this STIP is fiscally balanced, meaning we have not programmed more funds than we are certain we'll have. It also reflects MoDOT's change in philosophy to dedicate more funds to rehabilitation and reconstruction of our existing \$60 billion asset. This means you will see less money dedicated to system expansion. In 2002 – 2003, for example, system expansion accounts for 57 percent of funding and rehabilitation and reconstruction for 31 percent. From 2004 – 2006, 34 percent of the funds are dedicated to system expansion and 55 percent to rehabilitation and reconstruction.

We welcome your comments as you review the STIP. We have tried to make this STIP more informative and easier to understand than previous STIPs have been. Please contact us at our toll free number, 1-888-ASK MODOT (275-6636). Written comments can be sent to Kyle Kittrell, Office of Transportation Planning, MoDOT, P.O. Box 270, Jefferson City, MO, 65102 or by e-mail to kittk@mail.modot.state.mo.us.

Sincerely,

A handwritten signature in dark ink, appearing to read "H. Hungerbeeler", with a stylized flourish at the end.

Henry Hungerbeeler
Director